



RESOLUTION

AMENDING RESOLUTION NO. 98-193, CD1

BE IT RESOLVED by the Council of the City and County of Honolulu, Hawaii (the "City Council"), as follows:

ARTICLE I.

RESOLUTION AMENDING RESOLUTION NO. 98-193, CD1; FINDINGS AND DETERMINATIONS; AND DEFINITIONS

Section 1.01. Amendment to Resolution No. 98-193, CD1; Findings and Determinations. (1) This resolution amends Resolution No. 98-193, CD1 duly adopted by the City Council on November 10, 1998 (the "Resolution").

(2) It is hereby found and determined by the City Council as follows: (i) that it is necessary and desirable that Sections 1.01 and 6.03(A) of the Resolution be amended to provide the City and County the ability to take into account the receipt of certain Federal subsidy payments in order to provide flexibility in the requirements for the issuance of future Bonds by the City and County, as well as flexibility in the performance of certain ongoing covenants; (ii) Section 10.02 of the Resolution provides that with the consent of the Holders of not less than a majority of the Bonds then Outstanding and with written consent of each Support Facility Provider, the City and County at any time may adopt a resolution amending the Resolution for the purpose of modifying or amending in any manner the rights of the Holders of the Bonds then Outstanding; and (iii) the amendments provided herein are necessary and desirable and are in the best interests of the City and County and the users of the Wastewater System.

Section 1.02. Definitions. (1) All terms which are defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this Resolution as such terms are given in said Section 1.01 of the Resolution.

(2) In addition, as used in this Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"Build America Bonds" means any bonds or other obligations issued as Build America Bonds under Section 54AA of the Code, or under any other provision of the Code that creates a substantially similar direct-pay subsidy program.

"Interest Subsidy Bonds" means (a) Build America Bonds, (b) Recovery Zone Economic Development Bonds, or (c) any other any bonds or other obligations



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issued under any provision or provisions of the Code that create substantially similar direct-pay subsidy programs to such programs with respect to Build America Bonds and Recovery Zone Economic Development Bonds.

“Recovery Zone Economic Development Bonds” means any means any bonds or other obligations issued as Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code, or under any other provision of the Code that creates a substantially similar direct-pay subsidy program.

“Refundable Credits” means (a) with respect to a Series of Bonds issued as Build America Bonds under Section 54AA of the Code, the amounts which are payable by the Federal government under Section 6431 of the Code, which the City and County has elected to receive under Section 54AA(g)(1) of the Code, (b) with respect to a Series of Bonds issued as Recovery Zone Economic Development Bonds under Section 1400U-2 of the Code, the amounts which are payable by the Federal government under Section 6431 of the Code, which the City and County has elected to receive under Section 1400U-2 of the Code, and (c) with respect to a Series of Bonds issued as any other type of Interest Subsidy Bonds, the amounts which are payable by the Federal government under provisions of the Code governing a direct-pay subsidy program or programs substantially similar to such programs with respect to Build America Bonds and Recovery Zone Economic Development Bonds.

ARTICLE II.

AMENDMENT TO THE RESOLUTION

Section 2.01. ***Amendment of Section 1.01.*** The definition of “Debt Service” in Section 1.01 of the Resolution is hereby amended to read in its entirety as follows:

“Debt Service” means, as of any particular date of computation, with respect to any Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside in such period for the payment (or retirement) of the principal and Redemption Price (if any) of, and interest on, such Bonds; *provided, however,* that the term “Debt Service” shall not include interest on Bonds to the extent it is to be paid from amounts on credit to a Series Improvement Interest Subaccount (as defined in **Section 6.08**), amounts on credit to the Debt Service Account or any other provisions made for the payment of interest; *provided further, however, that in determining the amount of interest coming due during any applicable period on any Series of Bonds that are issued as Interest Subsidy Bonds, amounts equal to Refundable Credits the City and County is scheduled to receive during such period shall be deducted from such interest.*



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Section 2.02. ***Amendment of Section 6.03(A).*** Section 6.03(A) of the Resolution is hereby amended by allowing the following subsection as Section 6.03(A)(7):

(7) All of the Refundable Credits received by the City and County shall be deposited immediately upon receipt in the Debt Service Account, and such Refundable Credits are hereby irrevocably pledged to the punctual payment of the interest on the respective Series of Interest Subsidy Bonds to which such Refundable Credits relate, and the Refundable Credits shall not be used for any other purpose while any of the Interest Subsidy Bonds remain Outstanding. All the Refundable Credits as received by the City and County shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid as against, and prior to the lien of, all parties having claims of any kind in tort, contract or otherwise against the City and County irrespective of whether such parties have notice thereof. Notwithstanding the foregoing deposit and pledge, the Refundable Credits are not considered Revenues or included in the calculation or Revenues under this Resolution. Additionally, in calculating the amount that the City and County pays out of the Debt Service Account to the applicable Paying Agents as provided in (A)(1) above, the City and County or the Paying Agent, as applicable, shall take into account Refundable Credits only if they have been deposited in the Debt Service Account on or prior to the Business Days preceding the applicable interest payment date and have not previously expended to pay Debt Service on the Bonds issued as Interest Subsidy Bonds or otherwise transferred out of the Debt Service Account.

ARTICLE III.

EFFECTIVENESS OF THIS AMENDMENT TO RESOLUTION; AND EFFECTIVENESS OF OTHER PROVISIONS

Section 3.01. ***Effectiveness of this Amendment to Resolution; Effectiveness of Other Provisions.*** (1) The resolution amending the Resolution shall become effective upon the filing of written consents to the amendments set forth herein of the Holders of not less than a majority of the Bonds then Outstanding, as well as the filing of and with written consent of each Support Facility Provider.

(2) Except as amended hereby, all of the other provisions of the Resolution shall continue to be effective as the Resolution was originally adopted.




CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 10-283

RESOLUTION

BE IT FINALLY RESOLVED by the Council of the City and County of Honolulu that the Clerk be and is directed to transmit copies of this resolution to the Director of Budget and Fiscal Services and to the Chief of Treasury.

INTRODUCED BY



(br)

Councilmembers

DATE OF INTRODUCTION

SEP 30 2010

Honolulu, Hawaii

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 10-283

Introduced: 09/30/10 By: TODD APO (BR)

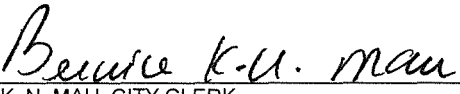
Committee: BUDGET

Title: RESOLUTION AMENDING RESOLUTION 98-193, CD1.

Links: RES10-283
CR-320

BUDGET	10/06/10	CR-320 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.			
COUNCIL	10/13/10	CR-320 AND RESOLUTION 10-283 WERE ADOPTED.			
ANDERSON	Y	APO	Y	CACHOLA	Y
DELA CRUZ	Y	DONOHUE	Y		
GARCIA	Y	KOBAYASHI	Y	OKINO	Y
TAM	Y				

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.


BERNICE K. N. MAU, CITY CLERK


TODD K. APO, CHAIR AND PRESIDING OFFICER